REMEMBRANCES OF FRANK E. MORRIS

Alan Greenspan, *Chairman, Board of Governors of the Federal Reserve System*

As you know, the crucial role played by Federal Reserve Bank presidents has evolved substantially over the years, as has the relationship between the Reserve Banks and the Board of Governors. The presidents, or "governors" as they were then known, dominated the Federal Reserve System's early history. The exemplar was Benjamin Strong of the Federal Reserve Bank of New York. It was under his leadership that the Reserve Banks' role in conducting monetary policy evolved. He is credited more than anyone else with recognizing, in the years after World War I, the financial and economic impact of Reserve Bank purchases and sales of Treasury debt and the need to coordinate those transactions.

Reserve Banks first formed an unofficial investment committee in 1922, but it was not until the Banking Act of 1933 was passed that a committee to conduct open market operations was expressly defined by law. The act created the Federal Open Market Committee, but not in its current form. The Committee consisted entirely of Reserve Bank governors, subject to a degree of oversight by the Board. But the nature of this oversight was not spelled out, and the ill-defined relationship did not make for effective policy.

Then, with the enactment of the Banking Act of 1935, the reforms proposed by Mariner Eccles resulted—with some subsequent refinement—in the FOMC structure we know today. Eccles had sought an FOMC wholly controlled by the Board rather than by so-called "private interests." However, Senator Carter Glass of Virginia and others were leery of monetary policy dominated by what they saw as "political interests." The compromise that emerged seems in many ways to represent the best of both worlds, ensuring that monetary policy is conducted with a broader vision than if either Eccles or Glass had prevailed.

In the years since, the Reserve Bank presidents have strengthened their roles as CEOs and made strong commitments to their regional economies and local depository institutions. Over time they worked increasingly on national programs in concert with the Board, addressing the Federal Reserve's multiple public responsibilities through interdistrict committees and meetings. While struggles took place between the Board of Governors and the Reserve Banks in the period of change in the 1920s and 1930s, for many years now the consensus has been that no division of interest need exist between Board members and the Bank presidents. We have found as an institution that collegiality and consensus-building create better policy.

Frank Morris is one of the Reserve Bank presidents who can be credited with promoting this emphasis. In monetary policy, his outlook and approach, and his standing with the FOMC as a thoughtful and fair man, helped to foster this more collegial environment.

Frank was a solid thinker, nonideological and persuasive. When I joined the Board in 1987, he was recognized by his colleagues as a voice of experience who well knew the problems and frustrations of combating the inflation of the 1970s and 1980s. Although he was not a monetarist, Frank's intellectual curiosity about what might be learned from monetarism led to several Boston conferences on the topic. I am sure he viewed the changes adopted in late 1979 as vital to addressing the stressed circumstances of the time. During the mostly difficult years of the 1980s, Frank's sense of perspective was steadying, and he contributed much to the climate of intelligent analysis and discussion from which we still derive substantial benefit.

In twenty years of service, Frank Morris became an important part of our institutional memory and an institution builder in his own right. Today's celebrations of his contributions are more than fitting. It is only through the efforts and example of people like Frank Morris that the Federal Reserve can maintain and expand its capacity to serve the American public effectively.

Paul A. Volcker, *Former Chairman, Board of Governors of the Federal Reserve System (1979–1987)*

My inability to attend the conference in honor of Frank Morris is still further evidence of my overcommitted calendar, but I do want you to know that I'll be there in spirit.

Frank and I were joined at the hip, so to speak, when we shared an office suite in the Treasury almost forty years ago, comrades in arms on the financial ramparts of “The New Frontier.” There we were, a couple of young guys, exhilarated to be at the edge of Camelot, ready to change America and the world for the better. More down to earth, there we were with the good fortune to share life with strong and sympathetic wives, and brilliant young kids.

A few years later, I found myself in the peculiar position of being considered, alongside Frank, for a certain prestigious job in Boston. You know the result of that! A wise decision was made—a decision you are celebrating in the conference you are holding in the building that Frank built.

I guess Frank and I both learned over the years that the challenges of economic policy and of life itself are not so easily overcome as we imagined in those heady days in the Kennedy Treasury. What I know for sure is that Frank never lost his zest for thinking we could do better, for assembling around him in Boston the best talent he could find, for analyzing all the data he could get on his old-fashioned computer—constantly looking for answers “outside the box” of Fed orthodoxy.

I may be forced to miss the conference, but I do intend one day to pay my respects to the Frank E. Morris Auditorium. With its connotation of education, communication, and community outreach, it symbolizes, I think, an important part of Frank’s contribution to the Boston Fed, to the larger Boston and New England community, and to the Federal Reserve System to which he devoted so much of his life and served so effectively.

James S. Duesenberry, *Chairman Emeritus, Federal Reserve Bank of Boston (1970–1974)*

Frank was a good economist, a good manager, and, above all, a really nice guy devoted to public service. When he joined the Bank he took on a package of problems—plans for a new building, prospective retirements of key personnel, and a changing financial system during an accelerating inflation.

He seemed to enjoy meeting those challenges and made it all seem easy to those he worked with. The building occupied a good deal of Frank’s time and energy. At the outset it was necessary to acquire the land, which was occupied by a number of warehouse and factory buildings with thirteen owners. When I first met Frank he had a model of a new bank building in Post Office Square, across the street from the old building. That ploy worked. The land was acquired without anyone learning that the purchaser printed its own money. That model was the most devious thing Frank ever did.

This building is a tribute to his good management, though not to the forecasters who thought we might need an addition. The staff he built reflect his good judgment as well as his ability to work with others and learn from them. And when he chose directors, he didn't look for yes-men. People like Louis Cabot and Bill Miller made board meetings livelier as well as longer and did something for the Bank. It was a pleasure to work with Frank, even in board meetings.

Robert M. Solow, *Chairman Emeritus, Federal Reserve Bank of Boston (1979–1980)*

I knew Frank Morris best during my years as a Class C Director of this Bank, first as Deputy Chairman and then as Chairman of the Board (a job I once described, in this very room, as giving new meaning to the phrase "stuffed shirt"). True to the instincts of my day job, I tried hard to get promoted to Class B-minus, but never figured out how. What I did experience, however, was ever-growing admiration and affection for Frank. My goal in the next two or three minutes is to try to say a little more to describe what there was about him that made him such a splendid public servant and private person.

First of all, he was very smart in a deep, not superficial, way, and for that reason among others he was very good at his job. Frank was a well-trained economist from the University of Michigan stable that in those days produced an important group of able people with a serious interest in fiscal and monetary policy. He had worked for some years in the private financial-services business before coming to the Boston Fed, so he was acquainted with the habits of thought of commercial bankers and investment bankers. Most important of all, Frank was by nature a reflective person and an independent thinker. When he briefed the Boston Board of Directors on the background to monetary policy at its monthly meeting, it was never with boilerplate or the latest tidbit from *The Wall Street Journal* or even the Fed's party line. What we got was Frank's reading of the evidence, his ruminations, his conclusions, and—this is important—his uncertainties. It was always intelligent analysis, thoughtful, open-minded, and above all honest.

I should also say that Frank paid serious attention to his research staff. Of course he read their work, talked with them, picked their brains, all the usual things. He also regularly involved one or two of them in nearly every Board meeting, either as part of the regular survey of the current economic and financial situation, or presenting a particularly interesting piece of research to the Board. One of the few constructive things I was able to do on the Board was to help my colleagues understand the significance of research results and the process that leads to them. Frank was able to integrate research and policy (not only monetary policy) at the Boston Bank at an earlier date and perhaps more effectively than other regional Federal Reserve Banks had then succeeded in doing, and better than even the Board of Governors had done. I think that was not only because he understood monetary research better than most, but also because he was genuinely open-minded, willing to listen to alternative ways of interpreting the facts, and able to tolerate a little ambiguity.

I never came away from a conversation with Frank about monetary policy without learning something about monetary economics or the role of the central bank. It used to be said of Robert Taft that he had the best mind in the United States Senate until he made it up. I used to remind myself that Frank Morris had the best mind in the Federal Reserve System even after he made it up. In fact, the real point about Senator Taft was that the making-up of his mind was like the closing of a door. Frank was not at all indecisive; he cast his vote unambiguously at Open Market Committee meetings. But he was not averse to reopening the door from time to time to peek out and see what was actually happening. I would like to think that the spread of Frank's intellectually open spirit has contributed to the success of the Federal Reserve System in helping to manage the spectacular course of our economy in the past six or seven years.

The same characteristics that I have described in connection with his work at the Bank were a permanent part of Frank's character. He was through and through a decent, fair, modest, empathetic person. A System that made such a man into a success deserves some credit.

E. Gerald Corrigan, *Former President, Federal Reserve Bank of New York (1985–1993) and Federal Reserve Bank of Minneapolis (1980–1985)*

I first came to know and work with Frank Morris in the early 1970s when I was involved with various staff work for the Conference of Presidents. From that early experience, I recognized almost immediately that Frank was someone it would be fun to work with. Little did I know that our initial and almost casual acquaintance would give rise to a powerful professional and personal bond that would extend for more than a quarter of a century.

In those early days of our association, Frank was understandably preoccupied with the construction of the Bank's new building. That preoccupation was rooted, in part, in the obvious fact that the Boston Fed badly needed a new building. But for Frank, there was more to the building than meeting a pressing practical necessity. Indeed, Frank saw the building as both a tangible and a symbolic investment in his beloved Boston.

I can still recall sitting with Frank in the conference room adjacent to his office on the thirty-second floor of the new building while he tinkered endlessly over his 1970s-style computer, reading the tea leaves of every set of economic statistics known to God and man. In saying that, I recognize that Chairman Greenspan has a well-deserved reputation for being somewhat compulsive about dissecting and trisecting economic data, but, Alan, I have to say to you that compared to Frank, you are an amateur, especially adjusting for the change in technology since the '70s.

Over time, including sitting together at the FOMC table for fourteen years, I came to admire and respect Frank as a quintessential Reserve Bank president and a policymaker extraordinaire.

- As policymaker, Frank's legacy was one of discipline forged of pragmatism, common sense, and scholarly wisdom.
- Frank knew all the fads and fancies in economic theory and doctrine, but he was wise enough to abstract the useful kernels from the theory and doctrine and discard the clutter and baggage.
- More important, Frank was one of the few policymakers who truly understood institutional realities and financial markets. This exceptional core of knowledge was the breeding ground that nurtured his multifaceted approach to monetary policy.
- Finally, Frank pioneered the art of digesting large amounts of information and anecdotes drawn from the grass roots of the economy and melding that information into a coherent and timely view of current economic and financial conditions.
- In short, Frank was a true master of his trade, or perhaps I should say his art—the art of sound policymaking.

As compelling as the story of Frank Morris the policymaker is, I believe the totality of Frank as a public servant is even more captivating in the manner in which he discharged his duties as a Reserve Bank president. The founding fathers of the Federal Reserve were wise indeed in providing for the regional character of the Fed through the instrumentality of the Reserve Banks. However, I seriously doubt that any of them could have anticipated the skill and finesse with which Frank put into practice the spirit of regionalism that is so central to the Fed's success.

The most essential trait of a great Federal Reserve Bank president is the manner in which he or she represents the Federal Reserve to the District and the manner in which he or she represents the District to the Federal Reserve. By this standard Frank had few, if any, peers. He was the lord of the manor and his manor was New England.

In closing, I would be remiss in not adding a brief thought about Frank Morris the man—the human being. At the core, Frank was a simple man; a rare case of what you saw was what you got; firm but fair in all things; an early champion of diversity; kind and gentle; soft and, yes, sweet; a rock of integrity; but most of all, Geri, a man who savored the joy and love that he drew from his wife and kids.

Richard F. Syron, *Former President, Federal Reserve Bank of Boston (1989–1994)*

As the invitation to this conference stated, "It is altogether fitting that Frank Morris be honored in this way." Frank was a true student of monetary policy and of economics, but beyond that he was a student of all aspects of life. I was always most impressed by the balanced view Frank brought to his own life. This attribute made him a better Bank president and Federal Reserve official, as well as a better person. He had a strong commitment to his family, and he held the quintessential economist's view of life: All of us are pieces of capital equipment with a finite duration, and that capital equipment is to be used to consume life with relish. And he did.

As a scholar, his interests were broad, from chairing an early effort to define the monetary aggregates to reading about the Dulles view of U.S.–Korean relations in *Foreign Affairs*. Frank was also an athlete, with a strong interest in sports. At every conference he spent a great deal of effort making sure that the tennis tournament was appropriately arranged, and for much of his life he spent every winter weekend skiing with his family, clearly his first priority, at King Ridge. (I do remember one embarrassing moment when we were interviewing a research assistant he knew personally who, at the end of the interview, asked Frank, "Has your skiing gotten *any* better?")

While not an extreme extrovert, Frank could display a charming personality. Before the Monetary Control Act, the order went out from Arthur Burns that we had to keep more banks in the System to avoid loosening the link between bank reserves and the monetary aggregates. (We thought we knew what aggregates were, then.) This led to our doing a series of dog and pony shows around the First District to convince bankers that they should stay with the Fed, even if it cost them earnings. So we would traipse about New England, and I would talk about the New England economy and Steve McNees about the nation, and sometimes Norm Fieleke would bring people up to date about international developments. I had the unfortunate experience of overhearing two bankers talking at one of these occasions when one said to the other, "Boy, this is boring."

But the pièce de résistance of these shows was a small dinner with Frank and the bankers, during which his personality really came out. Whether it was in Montpelier, Vermont, or Bangor, Maine, Frank wowed them. He was smart enough to talk about economic concerns and monetary policy for about twenty minutes and then spend the rest of the dinner talking about his experiences as a navigator in World War II and working with Douglas Dillon in the Kennedy Administration.

The common theme of all of these memories is that Frank combined his skills in a unique way that made him very effective and one hell of a guy. As retired Bank officer Herb Wass, who worked closely with Morris, has described him, “He was unflappable, supportive, always fair, and as good a person to work for as can be imagined.” There was nothing that was not decent in him, and he made all of our lives better. Life is a short game, and I think most of us will be well served if we play it half as well as Frank did.